Distr.
GENERAL

GC.6/15
IDB.14/22
25 May 1995

United Nations Industrial Development Organization

ORIGINAL: ENGLISH

GENERAL CONFERENCE

Sixth session
Vienna, 4-8 December 1995

Industrial Development Board

Fourteenth session
Vienna, 26-30 June 1995
Item 11 of the provisional agenda

OPERATIONAL ACTIVITIES FOR DEVELOPMENT

Note by the Director-General

Summary

Reports on measures taken and to be taken for the implementation of General Assembly resolution 47/199; provides information on the implementation of Industrial Development Board decision IDB.12/Dec.10 on UNIDO activities in support of improving the capacity of developing countries for national execution of projects.

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V.95 54305 (E) (6 June 1995)

Distr.: 30 May 1995

Introduction

1. The present document constitutes a progress report on measures taken with respect to the implementation of General Assembly resolution 47/199, in compliance with paragraph 51 of that resolution. It also updates the information provided to the Board at its twelfth session (IDB.12/9) on the subject, and provides information on UNIDO efforts in support of improving the capacity of developing countries for national execution of their development projects, in accordance with Board decision IDB.12/Dec.10. On its side, the Economic and Social Council (ECOSOC), in resolution 1993/7 urged the heads of specialized agencies to make every effort further to improve the efficiency and effectiveness of their organizations and to inform their governing bodies on measures taken in that regard.

I. COUNTRY STRATEGY NOTE

(General Assembly resolution 47/199, paras. 9-10)

2. In the context of its efforts to ensure a comprehensive response to industrial development constraints and prospects and to identify priority areas and programme thrusts for services to be provided by the Organization, UNIDO has engaged in the formulation of country support strategies. Six country support strategies are in an advanced stage, covering Azerbaijan, Indonesia, Kazakhstan, Kyrgyzstan, Syrian Arab Republic and Uzbekistan. They are expected to be finalized in the near future for submission to and endorsement by the respective Governments. Preparatory work has started in respect of 29 other country support strategies in Africa, Arab countries, Asia and the Pacific, Europe, and Latin America and the Caribbean, and 14 more are planned. These strategies are intended not only as a frame of reference to ensure effective focusing of UNIDO's own services in a particular country, but are also meant to provide industry-related inputs for the formulation of the country strategy note (CSN).

II. PROGRAMME APPROACH

(General Assembly resolution 47/199, paras. 12-14)

3. Based on its recent experience, UNIDO has developed and further refined its methodology for a programme approach. This has resulted in the formulation of integrated programmes covering the whole spectrum of activities linked to specific subjects, drawing on the wide range of capabilities available in the Organization and combining technical cooperation with its regular budget-funded services. Industrial sectors covered so far include the leather sector in Africa (regional), where the programme has been under implementation through two phases since 1989, and the wood sector in two countries in Latin America (Ecuador and Nicaragua), where programmes are essentially ready to start implementation. In addition, following a different approach, three thematic programmes have been formulated in the following areas: (a) women's entrepreneurship for industrial growth; (b) cleaner production centres; and (c) biomass in Africa. The programme approach methodology will also be applied, during the next biennium, to the seven programmatic themes that have been identified and are reflected in document IDB.14/13. UNIDO is also active in promoting the programme approach within the United Nations system and collaborates with other organizations in the development of a joint training programme on the subject.

III. NATIONAL EXECUTION

(General Assembly resolution 47/199, paras. 15-18; Industrial Development Board decision IDB.12/Dec.10, para. (c))

4. UNIDO has continued to participate in system-wide and inter-organizational initiatives to assess the impact of national execution on its activities and to improve related procedures, based on experience. In that vein, it has recently contributed to an evaluation exercise undertaken by the United Nations Development Programme (UNDP). It has also provided comments to the Joint Inspection Unit in respect of a study carried out in 1994. Among the main lessons drawn so far, the following should be highlighted: (a) early involvement of technical and specialized agencies in the design and formulation stage creates a good basis for determining the nature and extent of agency participation in programme and/or project implementation; (b) the role of National Project Directors is essential in ensuring good coordination of inputs; (c) the provision of technical support services by the agencies, such as those funded by the UNDP TSS-2 facility, greatly contributes to efficient and effective delivery; (d) the existence of adequate institutional and managerial capacity in the country is an essential element for success; and (e) clear systems of accountability and specific guidelines in the implementation of the national execution modality are urgently required.

IV. DECENTRALIZATION AND DELEGATION OF AUTHORITY

(General Assembly resolution 47/199, paras. 24-25; Economic and Social Council resolution 1993/7, para. 12)

5. The Director-General endorses, in principle, the concept of decentralization of certain capacities and greater delegation of authority to field offices. In

consonance with the repeatedly expressed wish of Member States to see the Organization move towards a stronger and more effective presence in the field, and in recognition of the growing importance of coordination of operational activities at field level, a considerable degree of attention has been paid in recent times to ways and means of achieving that objective. With a view to strengthening its field presence, both in qualitative and quantitative terms, UNIDO has carried out an in-depth assessment of its field structure, which has resulted in the presentation of a revised framework for field representation (IDB.14/25). In that context, various scenarios are presented whose implementation will depend on the resource situation of the Organization. Depending on the reactions of Member States and the decision of the Board thereon, the scale and level of decentralization and delegation of authority will be determined. The revised framework for field representation will also require the redefinition or revision of the role and functions of UNIDO field staff, in particular of UNIDO Country Directors *vis-à-vis* UNDP Resident Representatives.

V. SIMPLIFICATION AND HARMONIZATION OF PROCEDURES FOR PROJECT DESIGN, EVALUATION, MONITORING AND AUDIT

(General Assembly resolution 47/199, paras. 33-34)

6. To ensure greater programme transparency and accountability, procedures for a new service management process were introduced in UNIDO as a framework for the Organization's overall quality management approach. The process relies on objectives-oriented project planning (OOPP), improved project cycle management concepts and on quality management techniques and methodologies (ISO 9004). It employs the quality principles of transparency and accountability, by ensuring clarity and traceability of actions taken at each stage in the definition and implementation of services rendered by UNIDO. In the same vein, the authority and scope of functions of the Programme and Project Review Committee (PPRC) have been reformed. PPRC is the internal decision-making and advisory body entrusted with the task of ensuring that UNIDO services are designed and delivered in accordance with the Organization's mandate, policy, priorities, established quality standards and financial and other applicable rules and regulations.

7. Management procedures and processes are under regular scrutiny and review in order to adjust and improve them in the light of the experience and needs of the Organization. Thus, project cycle management is being critically examined and will be further streamlined in the course of the year.

8. Development cooperation approaches and methodologies will continue to be harmonized with other multilateral cooperation agencies, especially within the United Nations system, through informal consultations and existing inter-agency mechanisms. Currently, the CSN, the programme approach, and monitoring and evaluation are regularly being discussed in this way.

VI. COMMON PREMISES

(General Assembly resolutions 47/199, para. 42, and 48/209, para. 6)

9. As reported in the past, UNIDO field offices are, as a rule, fully integrated in the administrative and organizational structure of UNDP offices and physically located in those offices. Depending on the outcome of the debate on the revised framework of field representation under agenda item 7 (i), different approaches may have to be considered, especially in the case of host countries providing premises free of charge to the Organization and/or otherwise contributing to cover local costs.

VII. TRAINING (NATIONAL AND INTERNATIONAL)

(General Assembly resolution 47/199, paras. 43-47)

10. Since the issuance of the previous report, UNIDO has continued and increased its involvement in system-wide training programmes at Headquarters as well as in the field. It has contributed a resource person to the course on management of field coordination held at the International Training Centre of the International Labour Organization at Turin, Italy, which was also attended by UNIDO field staff. Moreover, UNIDO has organized courses on management and computer-related applications for other United Nations entities and organizations (United Nations Office in Vienna, United Nations High Commissioner for Refugees, UNDP). A UNIDO staff member is participating actively in the feasibility study currently under way in respect of the creation of a United Nations staff college, initiated by the Secretary-General. UNIDO had also held a substantial number of other training activities for both its own staff and nationals of developing countries on quality systems (9 briefing sessions), project cycle management (9 workshops), objectives-oriented project preparation (9 workshops) and other special purposes

(3 workshops). These activities will continue in the next biennium with funding from the 1996-1997 programme and budgets as well as from extrabudgetary sources.

VIII. RESIDENT COORDINATOR SYSTEM

(General Assembly resolutions 47/199, paras. 38-39, and 48/209)

11. UNIDO has been actively participating in the work of the Consultative Committee on Programme and Operational Questions (CCPOQ), which has most recently resulted in the adoption of a statement on the role and functioning of the resident coordinator system. The statement was subsequently endorsed by the Administrative Committee on Coordination and circulated to field offices.

IX. IMPROVEMENT OF EFFICIENCY AND EFFECTIVENESS

(Economic and Social Council resolution 1993/7, para. 2)

12. In the process of definition of assistance to be provided to Member States, UNIDO has put emphasis on the need to ensure that all its programmes and projects are demand driven and are based on the priorities of the requesting country. At the same time, in full recognition of the importance of quality based on the criteria of relevance, cost-effectiveness and sustainability (cf. GC.4/28, annex and General Conference decision GC.4/Dec.11), UNIDO has introduced a quality assurance scheme as reported in document GC.6/8-IDB.14/14, chapter I. In a related development, a blueprint of the quality system for UNIDO technical support services was issued towards the end of 1994 for internal use.

13. The annual analysis of evaluations of its operational activities provides UNIDO with useful insights into programme and project implementation and inspires suitable changes and adjustments in the processes and procedures of the Organization.

X. COMPREHENSIVE ANALYSIS OF THE IMPLEMENTATION OF GENERAL ASSEMBLY RESOLUTION 47/199

(General Assembly resolution 47/199, para. 55; Economic and Social Council resolution 1994/33, para. 4)

14. UNIDO has actively collaborated with the Department for Policy Coordination and Sustainable Development in the preparation of the analysis requested by the General Assembly from the Secretary-General in the context of the triennial comprehensive policy review of the United Nations system operational activities. It has submitted a detailed reply to a specific questionnaire for headquarters of organizations. Moreover, a UNIDO staff member took part in the work of a team of United Nations officials and consultants who carried out a field-level assessment of progress made in the implementation of relevant provisions of General Assembly resolution 47/199. The results of these efforts will be presented in a report that will be submitted to the Economic and Social Council at its substantive session of 1995 (26 June to 28 July 1995) and debated in the context of the operational activities segment.

XI. ACTION REQUIRED OF THE BOARD

15. The Board may wish to take note of the present note and make appropriate recommendations.